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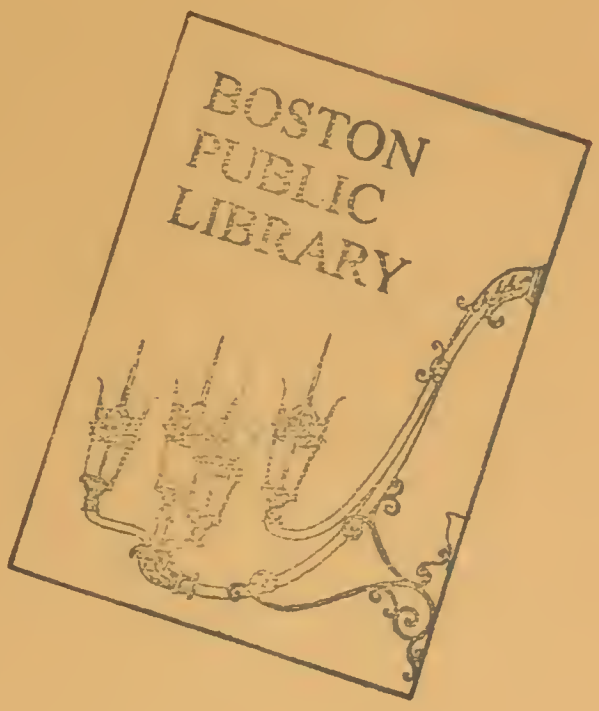
CHARACTERISTICS OF CONDOMINIUM DEVELOPMENTS IN THE GREATER BOSTON AREA



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CHARACTERISTICS OF CONDOMINIUM DEVELOPMENTS IN THE GREATER BOSTON AREA

Boston Redevelopment Authority
Planning Department

June 1, 1971

I. BACKGROUND

The Boston Redevelopment Authority has undertaken an analysis of various densities of development upon the Cabot Estate. This study has required a range of information relating to unit size, marketing, taxes, construction costs, etc. This information, in so far as it is related to luxury hi-rise rental developments, was readily available to the BRA. There was very little data, on the other hand, concerning town house and hi-rise condominium developments. For this reason, a special survey was undertaken. The results of this study are presented below.

II. METHODOLOGY

The following study concerns itself with analysis of eight factors which are crucial to the design and marketing of condominium developments. These are:

1. Site plan
2. Unit size
3. Rents or sales price
4. Construction cost
5. Taxes
6. Marketability and staging
7. Location
8. Other

Each factor is analyzed in terms of a survey of luxury town house condominium projects in the Boston area. Much of this information is included in the appendix.

III. CONCLUSIONS

A. Site Plan

There is no pattern to the site plan of newly constructed condominium developments. There are, on the other hand, about as many hi-rise as town house condominium projects in the Boston area.

B. Unit Size

The average unit size for luxury town house projects in the Boston area is about 1,600 sq. ft.

C. Rent or Sales Price

1. The average price of luxury town house condominium projects surveyed in the Greater Boston Area is about $55,000.

2. The average price of condominium units in locations similar to the Cabot Estate (Fairgreen Place and Fuller Brook Park) is about $72,000.

3. The average sales price of newly constructed single-family homes in the Jamaica Pond area is $40,000.

D. Development Costs

1. Development costs for luxury town house units range between $20-$25 a square foot.

2. High cost items in construction are elevators and covered parking.

E. Taxes

A town house condominium development will generate more taxes per unit then a hi-rise condominium project because the former is usually of higher value.

F. Marketability and Staging

1. Although there is a theoretical yearly demand for 1,000 single-family units in the City of Boston, this demand has only been tested in several small condominium conversions in the Back Bay and Waterfront areas.

2. Staging

In the Greater Boston Area, there are no existing or proposed condominium projects either town house or hi-rise which consist of 350 units. The largest project is 250 units proposed for the Hotel Beaconsfield site in Brookline. All condominium town house projects have been staged or are a conversion from rental housing.

G. Location

1. The vast majority of town house condominium developments in the Greater Boston Area are located in urban areas where shopping and public transit are available.

2. A town house condominium development in a location similar to the Cabot Estate is Fairgreen Place. It is located adjacent to the country club in Brookline.

H. Other Factors

1. Households

Almost all luxury town house condominium developments have tenants of 50 years of age or above whose children have gone off to college.

2. Parking

A ratio of 2 spaces per unit (including guest parking) seems reasonable for the Cabot Estate location.

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IV. THE FACTORS

A. Site Plan

The site plan is a critical factor in the design and marketability of a project. For purposes of the following discussion, one can assume that there are four alternative site plans:

1. linear (row) housing
2. cluster housing
3. terraced housing
4. Hi-rise housing

The first two generic site plans are appropriate for town house design as well as condominium ownership.

Of the four town house designs, row housing presents the least problems in terms of condominium ownership. There are no public hallways to maintain and doormen are not necessary. Terraced housing would probably be the most difficult type of housing to maintain as a condominium. There are large public areas and security would be complex.

There appears to be no pattern to the site plan in new construction condominium projects. Hi-rise design is found at 2000 Commonwealth Avenue, Boston and 1856 Beacon Street, Brookline. The Fuller Brook Park project is a cluster design; Fairgreen Place is a row house site plan. The majority of the converted condominium projects are of a row house site plan.

Existing hi-rise construction is in several cases being converted into condominium ownership. These projects are located in Cambridge, and Boston. They are listed in the appendix.

B. Unit Size

1. The average unit size in luxury hi-rise housing is 900 sq. ft.

2. The average unit size in luxury condominiums is about 1600 sq. ft. (See Table 5, Gladstone and Housing Data, Koff)

3. The range in unit size for luxury town house projects is between 1100 and 2300 sq. ft. (See Gladstone and Koff data)

C. Rent or Sales Price

1. The average range in sales price of luxury condominium units, both new construction or conversion is $40,000 to $70,000.

2. Condominium developments with sales prices above $70,000 are located in Brookline; Fairgreen Place ($76,000), in Wellesley; Fuller Brook Park ($87,000), and in Boston; 260 Beacon St. ($80,000) and Lewis Wharf ($100,000).

3. The Glovers Landing project is being converted to condominium form of ownership at 100 times rental price. This is a general rule of thumb for determining the sale price of condominium units.

4. The average price of new single-family homes in the Jamaica Pond sector, is $40,000. This price is based on the sale of homes between 1969-1971 on Parkside Drive. This is the newest sub-division in Jamaica Plain. It is located across from the Larz Anderson Park.

D. Construction Costs

1. Development costs vary between $20-$30 a sq. ft. A specific building system and unit size must be defined before this can be estimated with accuracy.

2. Covered parking and elevators are high cost construction items.

E. Taxes

The Assessing Department is presently undergoing a review of its procedures for assessing. A definitive estimate of City taxes is therefore impossible.

At this point in time, it would appear that luxury rental and condominium developments are taxed at about the same rate; approximately 27% of gross income. But on a per unit basis, a condominium development at the lowest densities would generate more taxes since the units, being larger, would have a greater market value.

F. Marketability and Staging

1. The experience in marketing town houses as well as condominium developments in the Boston area is very marginal. The vast majority of the luxury projects in the City of Boston are hi-rise apartments - 50-60% efficiency and 1 br. units and rental.

2. The Land Utilization and Marketability Report completed for Pat Franchi states on page 17 that there is a yearly luxury housing demand for 1000 sinnle-family and 1000 multi-family units. In spite of this conclusion, the "single-family" luxury housing market in Boston, with the exception of some small condominium conversion projects in Back Bay and the Waterfront has not been tested.

3. Staging - there are no condominium projects of 350 units or more in the Boston area.

The Wellesley project (150 units) will be constructed in 3 stages of 50 units each. The 360 unit condominium project proposed for Middleton will take place in two stages.

G. Location

1. The vast majority of existing condominium developments in the Greater Boston Area are located in urban areas where there is convenient shopping and public transit.

2. A town house condominium development was successfully marketed in a location near the Cabot Estate. This is the Fairgreen Place development which is located adjacent to The Country Club in Brookline.

3. The largest condominium developments proposed for the Greater Boston Area are in suburban locations; Danvers, Acton.

H. Other Factors

1. Household Characteristics - The vast majority of the luxury, town house condominium projects are designed for families whose children have gone off to college. There are no known luxury, town house developments for families with children.

2. Parking - The Jamaicaway project provides 1-1 parking plus 40 (1/7 of total units) visitor spaces. The Fairgreen Place complex provides space for about 2 cars per unit. Most of the parking in these projects is below grade.

APPENDIX

Development Cost Data, Massachusetts Housing and Finance Agency

Condominium Developments in the Boston Area

- Fairgreen Place (Condominium)
- Fuller Brook Park (Condominium)
- Glover Landing (Conversion to Condominium)
- Danvers (Proposed Condominium Development)

General Information on Developing Condominium Projects

Condominiums in Massachusetts

Development Cost Data:
Massachusetts Housing & Finance Agency, March, 1971

The following information was received from MHFA. The data represents average cost figures of wood frame as well as class I projects which have received MHFA authorization.

I. Class I Construction (11 projects)

Average development cost/unit	$20,676
Average cost per square foot	$20.93
Average number of bedrooms	1.25
Average unit size	1,006 square feet
Land acquisition cost/unit	$2,197

Significant differences exist between union and non-union Class I construction. The average development cost of union construction was $22,659/unit; the average cost of non-union construction was $18,509.

II. Wood Frame Construction

A. Average cost figures:

development cost/unit	$17,176
cost per square foot	$14.74
number of bedrooms	1.85
unit size	$1,052
land cost/unit	$1,357

B. Range of variation:

development cost/unit	$14,555 - $19,800
cost per square foot	$13.25 - $20.14
number of bedrooms	1.50 - 3.74
unit size	903 sq. ft. - 1,286 sq. ft.
land cost/unit	$750 - $1,720

II. Amenities included in development cost figures

parking (mostly at grade)
carpet
garbage disposal
air conditioning
play area

IV. Definition of terms

development cost and square feet cost figures include construction, fees, parking, amenities, site preparation.

CONDOMINIUM DEVELOPMENTS IN THE BOSTON AREA

HOUSING DATA

Fairgreen Place

1. Location - Brookline (adjacent to the Country Club)
2. Developer - Village Realty Associates
3. Total Number of Units - 1965 - 20, 1969 - 14, this includes one row of six row houses, two rows of four row houses, two rows of eight row houses.
4. Construction Type - 2 1/2 story wood frame units
5. Number of Units by Type - all single units, first floor, living room, dining room, kitchen, den, bath, second floor, two bedrooms, two baths.
6. Lot Size - 262,404 square feet
7. Purchase Price or Rent - 20 unit, 1965, $60,000 each, 14 units, 1969, $76,500 each.
8. Unit Size in Square Feet - from 2,000 to 2,300 square feet
9. Construction Cost - about $25/sq. ft. to build project today
10. Development Cost - $40,000 +
11. Land Cost -
12. Parking - 2 cars per unit
13. Household Characteristics - Older households without children.

HOUSING DATA

Fuller Brook Park

1. Location - Wellesley, housing in park-line atmosphere
2. Developer - Spalding & Slye (Mr. Boyle and Mr. Krentzjans)
3. Architect - Sam Glaser
4. Total Number of Units - 150 units, to be constructed in three stages
5. Construction Type - four story elevator wallbearing, precast concrete deck, atrium in place of a corridor
6. Number of Units by Type - Stage I: 4-1 bedroom (1120 sq. ft. per unit) 26-2 bedroom (1550 sq. ft. per unit) 22-2 bedroom and den (1850 sq. ft. per unit)
7. Lot Size - 7.8 acres
8. Purchase Price - (condominiums) $49,000 for the one bedroom unit, $87,500 for the three bedroom units
9. Units Size and Square Footage - averages of 1,650 sq. ft. per unit
10. Construction Cost - about $21 a sq. ft.
11. Development Cost -
12. Land Cost -
13. Parking - 1.5 spaces per unit, most of parking below grade
14. Household Characteristics - 50 years and older, children grown-up
15. Market Information - based on survey of perspective tenants in Wellesley

HOUSING DATA

Glover Landing

1. Location - Marblehead
2. Developer - S. R. Brainard
3. Architect - Chapman & Goyette
4. Total Number Units - 114
5. Construction Type - wood frame
6. Number of units by type

   efficiency - 9

   1 Bedroom - 2

   2 Bedroom - 86

   3 Bedroom - 17
7. Lot Size - 25 du/acre - 4.5 acres
8. Purchase Price - 100 times rental

   average rental = $350 month

   land lease agreement an additional $300 year
9. Unit Size - 1 Bedroom - 1 bay - 40' x 15' (600 sq. ft.)

   2 Bedroom - 2 bays - (1200 sq. ft.)
10. Construction Cost
11. Development Cost - About 10% of sales price in fees for conversion to condominium.
12. Land Cost
13. Parking - 1.6 spaces/unit
14. Household Characteristics - young professionals, couples whose children no longer live at home
15. Operating Costs = $.86 sq. ft./month

HOUSING DATA

Danvers

1. Location - Topsfield, Middleton, Danvers, 500 acre site
2. Developer - Joseph Mass and Robert Harpell, Cumborline, Rhode Island Phone Number 401-333-5727
3. Architect - Hans Graham
4. Total Number of Units - Stage I: 164 condominiums, 152 rental apartments, 60 single-family homes, a golf course, motel, and office Stage II: 160 condominiums and 152 rental apartments
5. Construction Type - 10 to 12-story hi-rise slab tower
6. Number of Units by Type - Mostly one to two-bedroom units
7. Purchase Price or Rent - Rent $200 to $450; Sales about $45,000 for each unit

GENERAL INFORMATION ON CONDOMINIUM DEVELOPMENTS

1. Have flexibility to sell or rent units if condominium.

2. If project to be staged, condominium development is often preferable to rental. The former allows the developer to re-capture his investment in land, etc. It also provides the cash flow necessary for successive stages.

3. Financing of condominium units is often at lower rates than rental properties since the mortgages will be held by individual households rather than a single corporation.

Back Bay Federation for Community Development

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BOSTON, MASS. 02116
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CONDOMINIUMS IN MASSACHUSETTS

And Recently Established Cooperatives

1. CONDOMINIUMS

Boston

20 Gloucester Street (1969) Conversion $25 - 48,000	7 units
260 Beacon Street (1970) Conversion $32 - 80,000	11 units
192 Commonwealth Avenue (1970) Conversion $50 - 71,000	9 units
61 Mt. Vernon Street (1970) Conversion	
2000 Commonwealth Avenue (1969) Construction $20 - 65,000	133 units
Lewis Wharf (1970) Rehab $35 - 100,000	116 units
South End location (1970) Conversion	24 units
27 Chestnut Street (planning) Conversion	32 units
70 Mt. Vernon Street (planning) Conversion	
191 Commonwealth Avenue (planning) Conversion	16 units

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Brookline

Fairgreen Place (1965) Rehab $45 - 50,000	20 units
1856 Beacon Street (1970) construction $25,900 - 44,000	26 units
30 St. Paul Street (1970) rehab $26,000 - 29,400	49 units
Kent Street conversion	5 units
Hammond Pond Pkwy. (1970) conversion Town houses $58 - 60,400	8-10 units
Hammond Street (1970) conversion Town houses $34,900 - 39,900	8-10 units
Hotel Beaconsfield Site (planning) construction	250 units
Carlton St. (planning) conversion	5 units

Cambridge

902 Memorial Drive (1970) conversion $28 - 54,000	36 units
205 Mt. Auburn St. (1970) conversion $25 - 35,000	16 units
Concord Avenue (1971) construction $40 - 60,000	16 units

Newton

Glencoa Corp., Commonwealth Ave. (1968) rehab	15 units

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Wellesley

Wellesley Green (planning) construction — 170 units
$57,500 - $87,500

Marblehead

Glover Landing (1970) conversion — 114 units
$20 - 65,000

Salem

Loring Square (planning) construction — 37 units
$32,500 - 39,500

Acton - Littleton

_____ (planning) construction — 700 units
$20 - 35,000

Danvers

US 1 & 95 (1971) construction — 308 units
$40 - 70,000

Falmouth

_____ (planning) construction — 30 units
$25 - 40,000

Hyannis

_____ (planning) construction — 200 units
$23,000 up

Orleans

Old Colony Village (1969) construction
$21,900 - 39,900

West Yarmouth

Camp Street (1970) 56 units
$15,200 up

2. RECENTLY ESTABLISHED MIDDLE-LUXURY COOPS

Boston

180 Beacon Street (1970) conversion

Brookline

222 Babcock Street, (1970) Conversion

Cambridge

1010 Memorial Drive (1970) conversion

Upland Corp. (1963) conversion

3. MODERATE RENTAL COOPS*

Boston

Academy Homes II (1968) Roxbury 221d3	315 units
St. Joseph's (1969) Roxbury 221d3	137 units
Charles Newtowne (1970) Charlestown 221d3	262 units
**West Concord St. (1971) South End 236	
**282 Columbus Avenue (1970) South End 236	

Brookline

Brookline Coop Housing (1965) 221d3	116 units

Framingham

Cochituate Coop Homes (in construction) 236	160 units

Stoughton

Presidential Court (1970) 236	104 units

Holyoke

Whitney Farms (1968)
221d3

Springfield

Nusery St. (1964) 157 units
236

* - All of these projects were financed under FHA-HUD moderate income programs, Section 221d3 or Section 236.

Rents, which we have on file range from a low of $86 for a 1 bedroom unit in one project to $160 for a large unit in a later project.

** - All projects are new construction except for these two South End rehab projects which have a total of 71 units.

4. NOTES

The above listings are not necessarily complete because there is no official directory of condominiums and cooperatives. However, this list based on extensive research appears to be reasonably comprehensive.

The dates given generally indicate the year in which each project was completed or open to occupancy. In some cases it is the year sales began. Actually, the dates give only a rough idea of the sequence of projects.

Since we hope to keep this listing up to date we welcome your suggestions, corrections and additional information.